

AURUM MINING PLC
("Aurum" or the "Company" or the "Group")

Final Results, posting of Annual Report and Notice of AGM

Aurum Mining plc (AIM: AUR) is pleased to announce its final results for the year ended 31 March 2012.

Highlights

- Significant progress has been made in the period on the gold projects in which the Company has an interest in through its Spanish joint venture with Ormonde Mining plc ("Ormonde") (AIM: ORM). In particular there have been some very encouraging drilling results from the 'El Facho' permit area in the Zamora Province of Spain.
- Drilling results from the first three holes drilled on the highly prospective Peralonso permit area in Salamanca Province are due shortly.
- Aurum has now advanced the €500,000 of funds required to earn its majority interest in the permits that are the subject of the joint venture agreement with Ormonde. The process is now underway to transfer the relevant permits to Aurum's Spanish subsidiary.
- The Company has secured an exclusive option to acquire five tungsten permits (the "Morille permits") in Salamanca Province. The five permits are located 15km southwest of the city of Salamanca and cover an area of 5,796 hectares. Aurum has a three month option to acquire the permits. The Board is extremely excited about the 'brownfield' Morille opportunity and, in particular, feels that it could have the potential to be advanced quickly. Technical and legal due diligence is now underway to determine the potential of the opportunity.
- The Company is currently looking at a number of other investment opportunities in Spain as it looks to expand on its existing footprint in the Country.
- Gross cash at the end of May 2012 was circa £1.2m. During this period of transition, cash management and cost control have remained key priorities for the Company.

Sean Finlay, Aurum's Chairman, commented: "I am delighted at the progress that has been made in the last financial year in transforming the Company and I am confident that the Company will continue its transformation in the current year.

As a Company we feel that we now have a strong foothold in North Western Spain and we will continue to look at convincing investment opportunities that arise in the region, which could be complementary to our existing projects.

The Board is excited about the opportunities currently available to the Company and is optimistic about the Company delivering on its strategy of creating value for its Shareholders from its portfolio of assets in Spain.

We look forward to updating the market on progress over the coming months."

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REVIEW OF ACTIVITIES

The last twelve months have been a further period of progress and activity for Aurum as the Board continues the transformation of the Company from a Kyrgyzstan gold company into a Spanish focused mining entity with a portfolio of assets that have the potential to create significant value for Shareholders.

Strategic update

At the time of writing the corresponding review approximately twelve months ago, and even though Aurum's initial deal in Spain with Ormonde Mining plc ("Ormonde") had already been done, it was the stated intention of the Board to 'complete acquisitions that would ensure the long term future success of the Company'. In the months that followed Aurum did indeed look at a large number of potential deals across a wide range of commodities and geographies. The Company looked very closely at one deal in particular, and significant time, and correspondingly resource, was spent carrying out due diligence work and preparing the documentation for a reverse takeover that would have fundamentally changed the face and nature of the Company.

For a number of different reasons, including uncertain market conditions, the Board concluded that the deal mentioned above was not in the best interests of Shareholders and the decision was taken not to proceed. However, as a result of that process the Board decided that the strategic direction of the Company and the growth of Aurum should be focused on the development of the Company's existing interests in Spain and complementary projects should be sought. Until that point it was the accepted view of the Board that at some point in the short-term a significant transaction and reverse takeover would be identified and completed and that would shape the future of the Company. The search for that type of deal was, at that point last autumn, the driving force of the Company.

However around that time, it became apparent to the Board that not only did Aurum have some really exciting potential gold assets through its joint venture with Ormonde but also, through the Company's involvement in the region, there was the potential to acquire further assets in Spain and the surrounding area. In addition, the Board felt that, by following this Spanish strategy it could put together a really interesting and exciting investment opportunity that has the potential to deliver the Company's strategic objective of delivering shareholder value and returns.

The Board is still open to looking at and appraising any opportunities that may arise, regardless of the geography or commodity, but unless a really compelling opportunity comes to light, the Board will continue to pursue its strategy in Spain and have a direct approach in both identifying opportunities and completing on deals that can be value accretive to the Company and which can help the Company deliver on its strategic objectives.

The Company has looked at a number of different opportunities in Spain and it was delighted to recently announce that it has acquired an exclusive option to acquire five tungsten permits (the "Morille permits") which are located only a short distance from Salamanca: in very close proximity to the Company's existing gold permits.

It is the Board's view that the opportunity has significant potential, and the Company is now going through the due diligence process before it determines whether it will proceed with the exercise of the option.

The Board is cognisant of the logistical and administrative burden of creating a new business in a new geography – and it is vital that the right processes and procedures are put in place at this early stage to ensure the future success of the Company in Spain. It is therefore important that the Company builds a strong operating base and putting this in place is happening concurrently with the due diligence process on the Morille permits.

It has been another productive twelve months for the Company, and the Board feels the Company is now ideally positioned to deliver on its strategy – the gold assets are already looking very exciting and

if these can be complemented by the completion of the Morille tungsten deal and potentially by one or two further acquisitions the region, the objective of creating a Spanish focused mining company with a portfolio of projects will have been achieved.

Gold projects

On 11 March 2011, Aurum entered into a joint venture with Ormonde whereby Aurum could earn a 60% interest in two permits in the Zamora Province of Spain (including the permit that contains the 'El Facho' target area) and a 54% interest in a further two permits in the Salamanca Province of Spain (Peralonso and Cabeza), by spending €500,000 on exploration activities over an eighteen month period.

In the fifteen month period since the joint venture agreement was signed there has been intense activity on the ground and Aurum has now advanced the necessary funds of €500,000 to earn its majority interest in the four permits that are the subject of the joint venture agreement. It should be noted that the final payment to take Aurum's investment up to the €500,000 level did not happen until after the end of the Company's financial year. The necessary legal work has now commenced to transfer the permits to a new Spanish subsidiary of the Company.

The majority of recent expenditure and exploration work has been carried out on the El Facho structure as this is the most advanced target area within the joint venture's four permit areas. Known gold mineralisation at El Facho is hosted in multiple steeply dipping structures characterised by quartz veining, silicification and alteration, primarily, but not exclusively, within granites. The joint venture's drilling campaign was designed to test for extensions to the known mineralisation and in particular to ascertain whether broader mineralised intervals could be discovered.

A total of 18 holes have now been drilled at El Facho by Ormonde and the joint venture and this amounts to some 3,658 metres of drilling. Despite this fairly limited amount of drilling, the assay results to date have been very encouraging, although there is still a significant amount of work to be done to fully understand the El Facho structure and to be able to fully determine its potential.

It is clear from this initial drilling that El Facho does contain intersections of mineable widths and grade and it is encouraging that, in spite of the drilling done to date, the El Facho structure is open in all directions giving rise to the hope that the structure could be more substantial than originally thought.

Of the 18 holes drilled at El Facho, assay results are available for 17 holes – a summary of the major intersections from these 17 holes can be seen in the table below.

El Facho Drilling Results			
Hole Reference	From (m)	Thickness (m)	Gold (g/t)
ORMP 1	51	23	1.1
ORMP 3	131	3	3.6
ORMP 4	40	6	3.7
ORMP 4	62	4	1.7
ORMP 5	56	9	1.5
ORMP 6	104	7	1.1
ORMP 7	38	7	1.2
ORMP 10	89	12	3.4
ORMP 10	75	30	1.6
ORMP 10	25	80	0.8
ORMP 11	102	10	2.1
ORMP 11	275	5	1.9
ORMP 13	154	10	0.6
ORMP 13	172	3	1.4
ORMP 14	143	1	11.4
ORMP 15	96	49	1.2
ORMP 15	99	25	1.8
ORMP 15	109	11	3.6
ORMP 16	144	10	0.5
ORMP 16	226	7	0.9

ORMP 17	148	12	0.7
ORMP 18	21	14	0.4
ORMP 19	79	22	1.1
ORMP 20	55	15	0.8
ORMP 20	56	9	1.2

Based on all drilling completed at El Facho to date, some modelling of the mineralisation has been carried out which indicates continuity of the main gold-bearing structure over a strike length in excess of 600 metres.

Based on this modelling, the joint venture's external consultant, Aurum Exploration Services, the Irish based mineral exploration consultant, has carried out an exercise to determine a preliminary resource estimation. This modelling indicates that the current resource at El Facho could be in the region of 122,000-145,000 ounces based on a 0.3 g/t cut off, though it is important to note that this is an early stage estimate to assist in guiding further drilling programmes and is not a resource that has been calculated in compliance with any internationally recognised standard. The range in estimates is due to differing modelling assumptions. Under the differing assumptions, but retaining the 0.3 g/t cut off level, resource tonnage ranges from 3.8-4.8 million tonnes and overall grade ranges from 0.94 g/t to 1 g/t.

The joint venture will now be undertaking further work with the twin objectives of understanding the El Facho structure better and, at the optimal time, moving towards formalising an initial resource. Certain relatively straightforward processes, such as carrying out infill assaying on existing drill core not yet assayed, will now be carried out and will hopefully yield results in a fairly short timeframe.

Once the assay results from the final hole of the recent drill programme are available, the joint venture Supervisory Committee, of which Aurum now has the chair, will determine the proposed workplan at El Facho for the next period.

Whilst the initial drilling results from El Facho are both positive and encouraging, this is still a relatively early stage opportunity that needs a significant amount of further work and thinking to ensure that it can deliver to its full potential. The Board is committed to ensuring that the full value from El Facho is delivered.

As well as undertaking further work at El Facho, a three hole drilling programme on the Peralonso permit in Salamanca Province has been completed and we await assay results. The programme has been designed to test the shallow depth extent of gold mineralisation located in previous trenching. Gold mineralisation is hosted within Fe-oxide-bearing breccias within altered granites, with previous trenching of an extensive soil geochemical anomaly (400 x 400m) returning a best interval of 5 metres grading 5.4g/t gold.

Trenching work will also shortly commence at the Cabeza Permit area in Salamanca Province. This trenching will follow up on the results of earlier soil geochemical analysis and other surface exploration work.

Morille tungsten opportunity

As outlined above, the Board is also delighted to have secured an exclusive option to acquire five tungsten permits (the "Morille permits") in Salamanca Province. The five permits are located 15km southwest of the city of Salamanca and cover an area of 5,796 hectares.

The Board is excited about the potential of the Morille permits and technical and legal due diligence is now underway to better understand the opportunity.

The key aspects of the Morille permits and permit area (as outlined in the Company's update to the market on 18 June 2012) are as follows:

- The Morille permit area is a 'brownfield' site and there has been a long history of the production of high quality tungsten concentrates from mineralisation grading up to 1% WO₃.
- The historic mines closed during the 1980's as a result of low commodity prices – not only have prices increased significantly since then, there is reason to believe that a significant supply shortage is developing in the tungsten market. These supply issues have been highlighted by the EU in its report "Critical Raw Materials for the EU" (May 2010) where tungsten was listed as a "critical raw material" due to its "high economic importance and high

relative supply risk” and more recently by the British Geological Survey who have ranked tungsten in the joint highest position in its “Current Supply Risk Index” of metals which are of economic value.

- Now that there has been the consolidation of approximately fifty old small mines into a unified block, the Morille permits provide the first opportunity for systematic exploration of the area for tungsten.
- Though the information needs to be verified by the Company, historical geological, exploration and production data provide excellent pointers as to where the initial exploration targets should be.
- A geological survey carried out by two state geological surveys in the late 1990’s concluded that there is a potential resource tonnage of at least 8 million tonnes across the Morille permit area, with the majority of this resource at the site of the old Alegria mine which will inevitably be the key initial exploration target for Aurum, should the acquisition of the Morille permits go ahead.
- Production data from the public database of the regional Government suggests that there has been over 735,000 tonnes of tungsten ore mined from the Morille area ranging in grade from 0.1%-1% WO₃.
- The historic data also suggests that two of the plants on the permit area were producing concentrate containing 70% tungsten. By current standards these are high grade concentrates.
- The area is served by excellent infrastructure.
- The area sits within a well known tungsten province – other known deposits in the area include Barruecopardo, Panasquiera, Los Santos and Regua.

The Board’s optimism around the opportunity is shared by that of its advisers. Golder Associates who are assisting the Company with its due diligence on the permits concluded that the area represents a valid exploration target which ‘merits exploration’ while the Company’s consultants on the ground, Desarrollo de Recursos Geologicos S.A. (“DRG”) have concluded that the project ‘provides more favourable conditions than those of virtually any other similar project currently underway in Europe’.

The Board will now ensure that the due diligence process is completed both efficiently and effectively before making its decision on whether to proceed with the acquisition.

Another striking factor about the Morille project is how complementary it is to Aurum’s existing gold assets in terms of its location. Should Aurum proceed with the acquisition of the Morille permits, it should be straightforward to service both the gold and tungsten assets with a single administrative function.

Key financials

For the year to 31 March 2012, the Group reported a loss of £1m compared to a loss of £2.2m in 2011.

The loss for the year includes certain non-cash items such as share based payments £113,000 and certain non recurring items such as aborted transaction fees £286,000. Absent these, the underlying monthly cashburn for the Company equates to approximately £50,000 per month.

Gross cash at the end of May 2012 was circa £1.2m.

In April 2011, the Board announced that it had successfully raised £2m (before expenses) by way of an equity issue to strengthen the company’s balance sheet and give the company sufficient funds to appraise projects and to complete transactions.

During this year of transition, cash management and cost control have remained key priorities for the Company.

Corporate

The Company announced that Simon Beardsmore joined the Company on a full time basis from 1 April 2012.

Simon joined Aurum having recently been part of the senior management team responsible for the construction, commissioning and expansion of the Los Santos tungsten mine in Salamanca Province, Spain. Simon is a graduate of the Royal School of Mines and a UK Chartered Engineer with over 35 years experience in a range of technical, operational and financial positions in the mining industry.

Simon's technical experience and knowledge of working in Spain is already proving invaluable to the Company as it looks to deliver on its Spanish strategy.

We would like to thank our staff for their unwavering effort and determination during the last twelve months.

In addition, we would like to thank the Company's advisers and consultants for their continued support.

Sean Finlay

Chairman

Chris Eadie

Chief Executive Officer

20 June 2012

Simon Beardsmore, BSc (hons), ARSM, MIMMM, CEng, Technical Manager of Aurum Mining plc, and a qualified person as defined in the AIM Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, has reviewed and approved the technical information contained in this statement.

As noted above, resource information contained in this statement relating to the El Facho structure has not been estimated in compliance with any internationally recognised standard and has been undertaken at this time solely to guide further drilling programmes in order to ascertain the full resource potential in the project area. Accordingly this statement does not constitute a resource update within the meaning of the AIM Guidance Note for Mining, Oil and Gas Companies.

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 MARCH 2012

	2012 £'000	2011 £'000
Impairment of available for sale investment	-	(824)
Aborted transaction costs	(286)	-
Other administrative expenses	(760)	(1,179)
Operating loss	(1,046)	(2,003)
Finance income	4	17
Finance expenses	-	(183)
Loss for the year before taxation	(1,042)	(2,169)
Taxation	-	-
Loss for the year after taxation	(1,042)	(2,169)
Loss attributable to the equity shareholders of the parent company	(1,042)	(2,169)

Loss per share expressed in pence per share

Basic and Diluted

(0.91)p (4.50)p**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED 31 MARCH 2012**

	2012	2011
	£'000	£'000
Loss after taxation for the financial year	<u>(1,042)</u>	<u>(2,169)</u>
Other comprehensive income:		
Exchange translation differences on consolidation of Group entities	<u>-</u>	<u>-</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive expense attributable to the equity shareholders of the parent company	<u>(1,042)</u>	<u>(2,169)</u>

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2012**

Company number : 5059457	Group			Company		
	2012	2011	2010	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Non-current assets						
Available for sale financial asset	-	-	824	-	-	-
Property, plant and equipment	1	3	7	1	3	7
Amounts owed by subsidiaries	-	-	-	-	-	818
Total non-current assets	<u>1</u>	<u>3</u>	<u>831</u>	<u>1</u>	<u>3</u>	<u>825</u>
Current assets						
Receivables	492	61	184	492	61	184
Cash and cash equivalents	1,317	732	9,615	1,317	732	9,612
Total current assets	<u>1,809</u>	<u>793</u>	<u>9,799</u>	<u>1,809</u>	<u>793</u>	<u>9,796</u>
Total assets	<u>1,810</u>	<u>796</u>	<u>10,630</u>	<u>1,810</u>	<u>796</u>	<u>10,621</u>
Liabilities						
Current liabilities						
Trade and other payables	121	112	332	121	112	323
Total current liabilities	<u>121</u>	<u>112</u>	<u>332</u>	<u>121</u>	<u>112</u>	<u>323</u>
Total liabilities	<u>121</u>	<u>112</u>	<u>332</u>	<u>121</u>	<u>112</u>	<u>323</u>
Net assets	<u>1,689</u>	<u>684</u>	<u>10,298</u>	<u>1,689</u>	<u>684</u>	<u>10,298</u>

Capital and reserves attributable to the equity holders of the company

Share capital	1,182	515	482	1,182	515	482
Share premium account	11,172	9,905	17,182	11,172	9,905	17,182
Merger reserve	-	3,021	3,021	-	3,021	3,021
Warrant reserve	-	-	201	-	-	201
Retained deficit	(10,665)	(12,757)	(10,588)	(10,665)	(12,757)	(10,588)
Total Equity	<u>1,689</u>	<u>684</u>	<u>10,298</u>	<u>1,689</u>	<u>684</u>	<u>10,298</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2012**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Retained deficit £'000	Total Equity £'000
At 1 April 2010	482	17,182	3,021	201	(10,588)	10,298
Total comprehensive expense for the year	-	-	-	-	(2,169)	(2,169)
Conversion of warrants	8	242	-	(201)	-	49
Exercise of share options	25	205	-	-	-	230
Issue of B shares	7,724	(7,724)	-	-	-	-
Capital repayments to shareholders	(7,724)	-	-	-	-	(7,724)
At 31 March 2011	<u>515</u>	<u>9,905</u>	<u>3,021</u>	<u>-</u>	<u>(12,757)</u>	<u>684</u>
Total comprehensive expense for the year	-	-	-	-	(1,042)	(1,042)
Merger reserve realised profits	-	-	(3,021)	-	3,021	-
Share based payments	-	-	-	-	113	113
Issue of shares net of issue costs	667	1,267	-	-	-	1,934

At 31 March 2012	<u>1,182</u>	<u>11,172</u>	<u>-</u>	<u>-</u>	<u>(10,665)</u>	<u>1,689</u>
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**COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2012**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Warrant reserve £'000	Retained deficit £'000	Total Equity £'000
At 1 April 2010	482	17,182	3,021	201	(10,588)	10,298
Total comprehensive expense for the year	-	-	-	-	(2,169)	(2,169)
Conversion of warrants	8	242	-	(201)	-	49
Exercise of share options	25	205	-	-	-	230
Issue of B shares	7,724	(7,724)	-	-	-	-
Capital repayments to shareholders	(7,724)	-	-	-	-	(7,724)
At 31 March 2011	<u>515</u>	<u>9,905</u>	<u>3,021</u>	<u>-</u>	<u>(12,757)</u>	<u>684</u>
Total comprehensive expense for the year	-	-	-	-	(1,042)	(1,042)
Merger reserve realised profits	-	-	(3,021)	-	3,021	-
Share based payments	-	-	-	-	113	113
Issue of shares net of issue costs	667	1,267	-	-	-	1,934
At 31 March 2012	<u>1,182</u>	<u>11,172</u>	<u>-</u>	<u>-</u>	<u>(10,665)</u>	<u>1,689</u>

The following describes the nature and purpose of each reserve within owners' equity for both the Company and the Group.

Reserve	Description and purpose
Share capital	Amounts subscribed for share capital at nominal value
Share premium	Amounts subscribed for share capital in excess of nominal value.

Merger reserve	Merger relief reserve for amount in excess of nominal value on issue of shares in relation to business combinations.
Warrant reserve	Fair value of the warrants issued.
Retained deficit	Cumulative net gains and losses recognised in the income statement less distributions made.

The Company has taken advantage of the exemption provided under Section 408 of the Companies Act 2006 not to publish its individual income statement, statement of comprehensive income and related notes. The Company's loss for the year was £1,042,000 (2011: loss of £2,169,000).

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

YEAR ENDED 31 MARCH 2012

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Loss for the year before tax	(1,042)	(2,169)	(1,042)	(2,169)
Adjustments for:				
Depreciation of property, plant and equipment	2	4	2	4
Finance income	(4)	(17)	(4)	(17)
Finance expense	-	183	-	183
Impairment losses	-	824	6	818
Share based payments	113	-	113	-
Cash flow from operating activities before changes in working capital	(931)	(1,175)	(925)	(1,181)
Decrease in trade and other receivables	4	124	4	123
Increase/(decrease) in trade and other payables	9	(220)	9	(211)
Net cash flow used in operating activities	(918)	(1,271)	(912)	(1,269)
Investing activities				
Ormonde joint venture payments	(435)	-	(435)	-
Interest income	4	17	4	17
Net cash flow from investing activities	(431)	17	(431)	17
	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Financing activities				

Capital repayments to shareholders	-	(7,724)	-	(7,724)
Increase in loans to subsidiaries	-	-	(6)	(21)
Proceeds from conversion of warrants	-	49	-	49
Proceeds from issue of share capital	2,000	230	2,000	230
Expenses paid in connection with share issues	(66)	-	(66)	-
Net cash flow from/(used in) financing activities	1,934	(7,445)	1,928	(7,466)
Net increase/(decrease) in cash and cash equivalents	585	(8,699)	585	(8,718)
Cash and cash equivalents at the beginning of the year	732	9,615	732	9,612
Effect of exchange rate changes on cash and cash equivalents	-	(184)	-	(162)
Cash and cash equivalents at the end of the year	1,317	732	1,317	732

Principal activity

The Company's investment strategy is to acquire mining assets either by taking outright control or through partnering arrangements.

Business review and future developments

Further details of the Group's business and expected future developments are outlined in the Review of activities report included within the full financial statements which will be available shortly.

Results and dividends

The audited financial statements for the year ended 31 March 2012 will be available shortly. The Directors do not recommend payment of a dividend for the year (2011: £nil).

Presentation currency

The Directors have decided to present the financial statements for the year ended 31 March 2012 in Great British Pounds Sterling.

Principal risks and uncertainties

At the present time, there is strong competition within the mining industry for the identification and acquisition of appropriate assets. The Company competes with other exploration and production companies for these assets, some of which have greater financial resources than the Company, for the acquisition of properties, leases and other interests. The challenge for management is to secure appropriate assets without having to overpay for them.

Key performance indicators (KPIs)

The key performance indicators for the Company will be linked to the specific projects acquired and the increase in overall enterprise value of the Company.

The key performance indicators of the Group are as follows:

	2012	2011
Loss per share	(0.91)p	(4.50)p
Share price at 31 March	3.25p	4.00p
Cash at bank	£1.3m	£0.7m
Cash returned to shareholders	-	£7.7m

NOTES

1. Basis of preparation

The financial information set out above, which was approved by the Board on 20 June 2012, has been compiled in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), but does not contain sufficient information to comply with IFRS. The Company expects to distribute its full financial statements that comply with IFRS shortly. The financial statements have been prepared on the historic cost basis.

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 March 2012 but is extracted from those accounts. The Company's statutory accounts for the year ended 31 March 2012 will be filed with the Registrar of Companies following the Company's annual general meeting. The independent auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis without qualifying those accounts and did not contain any statement under section 498(2) or (3) of the Companies Act 2006. The Company's statutory accounts for the year ended 31 March 2011 have been filed with the Registrar of Companies. The independent auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis without qualifying those accounts and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

The financial statements have been prepared on a going concern basis. The Board feel the Group has sufficient cash resources to enable it to pursue its strategy and continue as a going concern.

2. Segmental information

In the current year the Group had two reportable segments: Corporate and Investment and Exploration and Evaluation. In the prior year the Group had one reportable segment: Corporate and Investment.

- Corporate and Investment – The heads office activities of the Group and all non-current assets allocated to corporate activities in the United Kingdom.
- Exploration and Evaluation – Exploration and evaluation activities carried out with Joint venture partners under the Group's farm in agreement.

The operating results of these segments are regularly reviewed by the Group's chief operating decision makers in order to make decisions about the allocation of resources and access their performance. The Executive Director is considered to be the chief operating decision maker.

The accounting policies of these segments are in line with those described in the full financial statements, which will be available shortly.

The segment results as follows:

	Corporate and Investment £'000	Exploration and Evaluation £'000	Group £'000
Year ended 31 March 2012			
Operating expenses	<u>(1,046)</u>	<u>-</u>	<u>(1,046)</u>
Segment result	<u>(1,046)</u>	<u>-</u>	<u>(1,046)</u>
Finance income			4
Finance expenses			<u>-</u>
Loss for the year			<u>(1,042)</u>
Year ended 31 March 2011	Corporate and	Exploration and	Group £'000

	Investment £'000	Evaluation £'000	
Operating expenses	(2,003)	-	(2,003)
Segment result	(2,003)	-	(2,003)
Finance income			17
Finance expenses			(183)
Loss for the year			(2,169)

Other segment items included in the income statement are as follows:

	Corporate and Investment £'000	Exploration and Evaluation £000	Group £'000
Year ended 31 March 2012			
Depreciation	2	-	2
Impairment of assets	-	-	-

	Corporate and Investment £'000	Exploration and Evaluation £000	Group £'000
Year ended 31 March 2011			
Depreciation	4	-	4
Impairment of assets	(824)	-	(824)

The segment assets and liabilities and capital expenditure are analysed as follows:

	Corporate and Investment £'000	Exploration and Evaluation £'000	Group £'000
Year ended 31 March 2012			
Segment assets	1,375	435	1,810
Segment liabilities	(121)	-	(121)
Segment net assets	1,254	435	1,689
Capital expenditure	-	-	-

	Corporate and Investment £'000	Exploration and Evaluation £'000	Group £'000
Year ended 31 March 2011			
Segment assets	796	-	796
Segment liabilities	(112)	-	(112)

Segment net assets	684	-	684
Capital expenditure	-	-	-

3. Taxation

No current or deferred tax charge has arisen in the current year.

The Company and the Group have incurred tax losses for the year and a corporation tax charge is not anticipated. At 31 March 2012, the Group had tax losses of £5.7m (2011: £5.1m) carried forward which can be used against future profits. The majority of these losses arose in a jurisdiction with a lower tax rate than in the UK. However, these losses are only recoverable against future profits, the timing of which is uncertain and as a result no deferred tax asset is being recognized in relation to these losses.

The total of potential deferred tax assets relating to tax losses which have not been recognised for in the financial statements amount to £1.5m (2011: £1.4m).

The Directors believe that there have been no breaches of foreign tax regulations and that all necessary provisions have been made in these accounts.

Current taxation

The tax assessed for the year is different from the standard rate of Corporation Tax in the UK. The differences are explained below:

	2012 £'000	2011 £'000
Loss before taxation	<u>(1,042)</u>	<u>(2,169)</u>
Loss at the standard rate of Corporation tax in the UK of 26% (2011: 28%)	<u>(271)</u>	<u>(608)</u>
Effects of:		
Expenses not deductible for tax purposes	109	246
Unutilised tax losses carried forward	<u>162</u>	<u>362</u>
Current tax charge	<u>-</u>	<u>-</u>

The Group did not recognise any deferred tax assets or liabilities at 31 March 2012 or 2011.

4. Loss per share

Basic loss per share is calculated by dividing the loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of all the dilutive potential ordinary shares.

In 2012 and 2011 diluted loss per share has not been calculated as the Company is loss making.

At the reporting date there were 3,950,000 (2011: nil) potentially dilutive ordinary shares. Dilutive potential ordinary shares include share options and warrants.

	2012 £'000	2011 £'000
Net loss attributable to equity holders of the parent:		
From continuing operations	(1,042)	(2,169)

From total operations	<u>(1,042)</u>	<u>(2,169)</u>
	2012	2011
	Number	Number
Weighted average number of shares:		
Weighted average number of shares	<u>113,905,803</u>	<u>48,253,934</u>

ANNUAL REPORT & FINANCIAL STATEMENTS AND AGM NOTICE

The Company is pleased to announce that in accordance with AIM Rules 20 and 26, the Annual Report and Financial Statements for the year ended 31 March 2012 and the Notice of Annual General Meeting will be posted to shareholders today and are available on the Company's website www.aurummining.net. The Annual General Meeting will be held at 12 noon on 23 July 2012 at the offices of the Company's solicitors, Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU.